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IN THE SUPREME COURT
STATE OF ARIZONA

PETITION TO AMEND RULE 31(d),
ARIZONA RULES OF THE SUPREME
COURT

Supreme Court No. R-11-0001

Comment by Homeowner Association
Board Members in Support of Petition to
Amend Rule 31(d), Arizona Rules of the
Supreme Court

I hereby submit petitions signed by over 70 individual HOA board members across Arizona who support the Petition to Amend Rule 31(d) of the Arizona Rules of the Supreme Court to allow management companies to prepare, sign, and file notices of liens created pursuant to A.R.S. § 33-1256 and § 33-1807 on behalf of HOAs.

Individual board member representatives from 48 HOAs have joined in this petition. As reflected on the attachment coversheet, those who signed the petition represent HOAs ranging in size from less than 35 homes to nearly 7,000 homes, representing a total of over 30,000 households. These board member representatives live in cities and towns across Arizona, including Flagstaff, Phoenix, and Tucson

The language of the HOA Board Member Petition reads as follows:

We are members of the boards of directors of community associations, or homeowners associations (HOAs). We represent HOAs of various sizes and demographics in Arizona. Our community associations were created for the purpose

1 of managing, maintaining, and improving our communities. Our HOAs are governed
2 by corporation bylaws and Covenants, Conditions and Restrictions (CC&Rs), which
3 by law must be included in the closing documents for any home sold in an
4 association-governed community.

5 The CC&Rs authorize our HOAs to collect assessments from the homeowners
6 within our communities; the CC&Rs also authorize our HOAs to record notices of
7 claims of lien for unpaid assessments. We regularly delegate through management
8 contracts the responsibility for preparing, signing, and filing notices of assessment
9 liens to management companies. Based on our experience, we have found that it costs
10 HOAs significantly more to have lawyers to prepare, sign, and file notices of
11 assessment liens. Management companies have performed these lien functions for
12 HOAs for decades in Arizona without any problems.

13 The current economic climate – with unprecedented numbers of foreclosures
14 and homeowners facing economic hardships – has negatively impacted the financial
15 state of HOAs and their ability to carry out their purpose. This, in turn, has a
16 negative impact on the property values in our communities. It is more important than
17 ever that HOAs have an efficient and cost-effective means of compelling residents to
18 pay assessments in a timely fashion. We support the proposed change to Rule 31(d)
19 of the Arizona Rules of Supreme Court affirming the ability of management
20 companies to prepare, sign, and file notices of assessment liens on behalf of HOAs.”

21 RESPECTFULLY SUBMITTED this 24th day of June, 2011.

22 By: s/ Judy Barnett
23 Judy Barnett,
24 Board Member, Warner Ranch Phase III
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